

## OFFICIAL STATEMENT

BAKER VALLEY UNIFIED SCHOOL DISTRICT  
SAN BERNARDINO COUNTY, CALIFORNIA

\$1,400,000 PRINCIPAL AMOUNT

ELECTION 1977, SERIES 2 BONDS  
(GENERAL OBLIGATION BONDS)

BIDS TO BE RECEIVED BY THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY  
AT THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS, COUNTY CIVIC  
BUILDING, 175 WEST FIFTH STREET, SAN BERNARDINO, CALIFORNIA 92415 AT  
10:00 A.M., MONDAY, DECEMBER 11, 1978.

*Citron and Youngberg, municipal financing consultants  
San Bernardino county -- Economic conditions  
School bonds -- Ca -- San Bernardino co*

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Baker Valley Unified School District in relation to San Bernardino-Riverside Metropolitan Area and Las Vegas Metropolitan Area.



BAKER VALLEY UNIFIED SCHOOL DISTRICT  
San Bernardino County, California

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Ronald Walsh, President

Sylvia Cooper, Clerk

Carolyn Jacobson

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DISTRICT ADMINISTRATION

Willard G. Andreasen, Superintendent of Schools

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Alan K. Marks, County Counsel

John H. Bulmer, Auditor-Controller

Dean Zabriskie, Deputy County Counsel

John A. Gartner, Tax Collector-Treasurer

PROFESSIONAL SERVICES

O'Melveny & Myers  
Los Angeles  
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc.  
San Francisco and Los Angeles  
Financing Consultants

THE DATE OF THIS OFFICIAL STATEMENT IS OCTOBER 30, 1978

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TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of \$1,400,000 principal amount of the Election 1977, Series 2 Bonds proposed to be issued by the Baker Valley Unified School District.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Baker Valley Unified School District (which firm will receive compensation from the District contingent upon the sale and delivery of the Bonds).

The Official Statement is not to be construed as a contract with the purchasers of the Election 1977, Series 2 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

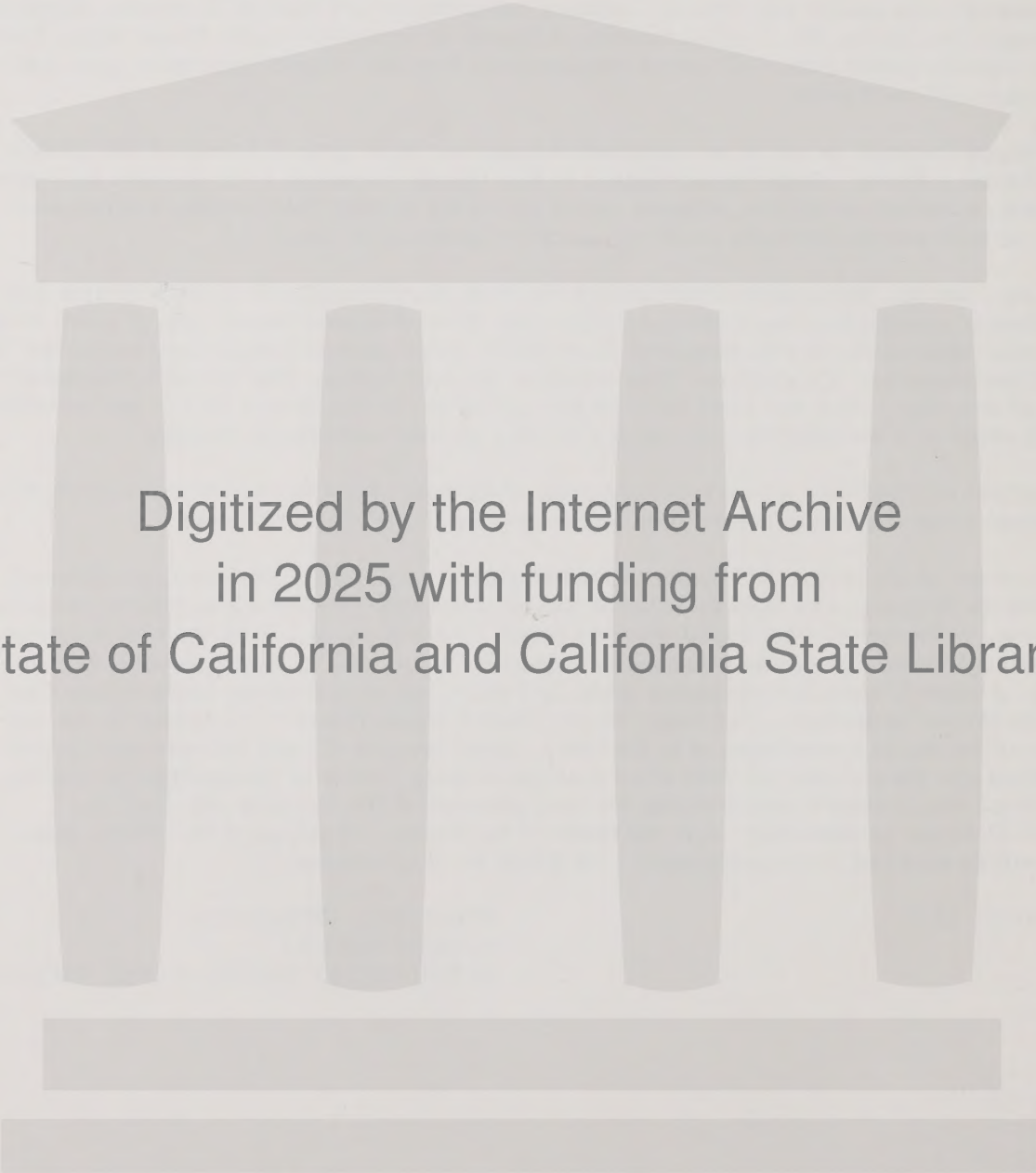
The opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel to the District will be furnished to the successful bidder (see section entitled "Legal Opinion" herein).

The members of the Board of Trustees of Baker Valley Unified School District have reviewed this Official Statement and have determined that as of the date hereof the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Baker Valley Unified School District will deliver to the purchaser of the Bonds a certificate as to the above, dated the date of Bond delivery and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds. 100 copies of the Official Statement will be supplied to the purchaser of the Bonds for this purpose.

October 30, 1978

WILLARD G. ANDREASEN  
SUPERINTENDENT  
BAKER VALLEY UNIFIED SCHOOL DISTRICT





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## INTRODUCTION

The \$1,400,000 principal amount of Baker Valley Unified School District Election 1977, Series 2 Bonds currently being offered for sale represents the second series from an authorization of \$5,000,000 approved by District voters on November 8, 1977. Previously, the District issued, as of February 1, 1978, \$1,755,000 principal amount of Election 1977, Series 1 Bonds. Proceeds from the sale of the bonds currently being offered will be used to construct, furnish, and equip a new junior-senior high school and install miscellaneous site improvements at the District's elementary schools.

The Baker Valley Unified School District, located in northeastern San Bernardino County, was formed July 1, 1977, having previously been part of the Barstow Unified School District. The District provides kindergarten through twelfth grade educational services to residents of an area encompassing approximately 3,890 square miles that includes the unincorporated communities of Baker, Kelso, Cima, Mountain Pass, and surrounding areas.

The District's economy is based largely on mineral extraction and tourism. The world's largest deposit of rare earths is found at Mountain Pass, near the eastern border of the District. Molybdenum Corporation, Incorporated, owned by Union Oil Company of California, employs 140 persons at this location in the processing of rare earth derivatives for use in a wide range of industrial applications. Two mills in the western part of the District process various borate ores. Due to its location on the principal highways leading to Nevada and Death Valley from Southern California the District benefits from tourist expenditures occasioned by national trends towards increased leisure time, earlier retirement, and year-round scheduling of vacations.

Baker has modern motels, restaurants, and other facilities to serve the visitor and vacationer attracted by the colorful desert areas in the District, as well as travelers who find Baker a convenient stop en route to other areas. Interstate 15, the principal highway between Los Angeles and Las Vegas, is adjacent to Baker. Silver Lake Properties has applied for a Federal housing grant of \$1,200,000 to assist in the construction of Silver Lake Village, to be located in Baker. Silver Lake Village, as planned, will have sixty 2-bedroom apartments, constructed in five 2-story buildings in a park setting. The Boise Cascade Corporation, Manufactured Products Division, is a participant in this venture, which is designed to provide permanent housing for persons employed in Baker.

The District is situated in San Bernardino County which produced over \$354,000,000 worth of farm products in 1977. Also reflecting strong industrial activity, the County Directory lists over 1,100 fabrication, manufacturing and processing firms ranging in size from less than 10 to more than 1,000 employees. The county is a major western railroad center for three trans-continental lines and includes two of the nation's largest and most modern marshalling yards.

Over 48 percent of the District's 1978/79 secured assessed valuation is on the utility roll. The 1977/78 secured tax delinquency ratio was .93 percent. During the four-year period prior to formation of the District, secured tax delinquency ratios in former tax rate areas that correspond to the District's existing tax rate areas averaged 1.40 percent. Upon delivery of the Election 1977, Series 2 Bonds the District's ratios of direct debt to assessed valuation and real value will be 9.81 percent and 2.45 percent, respectively. Total net direct debt and estimated overlapping bonded debt ratios to assessed valuation and real value will be 11.86 percent and 2.97 percent, respectively.

## THE BONDS

### AUTHORITY FOR ISSUANCE

The \$1,400,000 principal amount of Baker Valley Unified School District Election 1977, Series 2 Bonds, now being offered for sale are general obligations of the District and will be issued under provisions of Title 1, Division 1, Part 10, Chapter 2 of the State of California Education Code, and pursuant to a resolution of the Board of Supervisors of San Bernardino County adopted on October 30, 1978.

The \$1,400,000 principal amount Election 1977, Series 2 Bonds represents the second sale of a total authorization of \$5,000,000 approved by District voters on November 8, 1977. On February 6, 1978, \$1,755,000 principal amount of Election 1977, Series 1 Bonds were sold. After the sale of the Election 1977, Series 2 Bonds, \$1,845,000 of the \$5,000,000 authorization will remain unissued.

### TERMS OF SALE

Bids will be received by the Board of Supervisors of San Bernardino County at 10:00 a.m. on Monday, December 11, 1978, at the Office of the Clerk of the Board of Supervisors, Second Floor, County Civic Building, 175 West Fifth Street, San Bernardino, California. The bonds will be sold pursuant to the terms of sale contained in the Official Notice Inviting Bids dated October 30, 1978.

### DESCRIPTION OF THE BONDS

The \$1,400,000 principal amount of Election 1977, Series 2 Bonds, will be dated January 15, 1979. The bonds will be numbered 1 to 280, both inclusive, in the denomination of \$5,000, and will mature serially in consecutive numerical order as set forth in the following maturity schedule:

<u>Maturity Date</u> <u>(January 15)</u>	<u>Principal</u> <u>Amount</u>
1981	\$ 40,000
1982	40,000
1983	45,000
1984	50,000
1985	50,000
1986	55,000
1987	60,000
1988	60,000
1989	65,000
1990	70,000
1991	70,000
1992	75,000
1993	80,000
1994	90,000
1995	95,000
1996	105,000
1997	115,000
1998	115,000
1999	120,000



## INTEREST

Interest on the bonds at a rate not to exceed eight percent per annum is payable on January 15, 1980 and semiannually thereafter on each July 15 and January 15.

## REDEMPTION PROVISIONS

Bonds maturing on or prior to January 15, 1994 are not subject to call and redemption prior to their fixed maturity dates. Bonds maturing on or after January 15, 1995 are subject to call and redemption prior to their fixed maturity dates at the option of the District, as a whole or in part, in inverse order of maturity and number beginning with the highest numbered bond on any interest payment date on and after January 15, 1989 at a redemption price equal to the principal amount of the bonds so called for redemption plus a premium of one-quarter of one percent of such principal amount plus one-quarter of one percent of such principal amount for each year or portion of a year between the redemption date and the maturity date of the bonds so called for redemption.

## PAYMENT

Both principal and interest are payable at the Office of the San Bernardino County Treasurer-Tax Collector.

## REGISTRATION

The bonds will be issued as coupon bonds, registrable only as to both principal and interest.

## LEGAL OPINION

The legal opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the District, attesting to the validity of the bonds, will be supplied to the original purchasers of the bonds without charge. A copy of such legal opinion, certified by the Treasurer-Tax Collector of San Bernardino County, in whose office the original is to be filed, will be printed on each bond, without cost to the successful bidder.

The statements of law and legal conclusions set forth herein under the section titled "The Bonds" (excluding the paragraph entitled "Estimated Annual Bond Service" and the accompanying table) have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal proceedings required for authorization of the bonds and to rendering an opinion as to the validity of the bonds and the exemption and interest on the bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents, agreements, representations, offering circulars, or other material of any kind concerning the bonds not mentioned in this paragraph.

## SECURITY

The bonds are general obligations of the Baker Valley Unified School District, and the Board of Supervisors of San Bernardino County has the power and is obligated to levy ad valorem taxes for payment of the Bonds and the interest thereon upon all property within the District, subject to taxation by the District (except certain classes of personal property which are taxable at limited rates), without limitation of rate or amount.

## TAX EXEMPT STATUS

In the opinion of bond counsel, interest on the bonds is exempt from all present Federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions.

## LEGALITY FOR INVESTMENT

The bonds are legal investments in California for all trust funds and for funds of all insurance companies, commercial and savings banks, trust companies, and for State school funds, and are eligible as security for deposits of public monies in California.

## NO LITIGATION

At the time of payment for and delivery of said Bonds, the successful bidder will be furnished with a certificate that there is no litigation pending affecting the validity of the Bonds.

In the case of Serrano v. Priest, Case No. L.A. 30398, the California Supreme Court on December 30, 1976, affirmed a Judgment of the Superior Court of Los Angeles County, entered September 3, 1974, declaring that California's system of financing its public schools violates equal-protection-of-the-laws provisions of the California Constitution.

The affirmed Judgment of the Superior Court also provides: that the Judgment is not intended to invalidate, and shall not be construed as invalidating in any way, any past acts constituting the operation of the School Financing System, that the existing School Financing System shall continue to operate for a reasonable length of time so that a constitutional system can be designed, enacted into law, and placed into operation; that any redesign of the School Financing System which provides for the elimination of unconstitutional features on a gradual basis must be such that the redesigned School Financing System will be fully constitutional no later than six years from date of entry of the Judgment, and that otherwise there will be a denial to the plaintiffs of their constitutional rights for an unreasonable length of time; and that the Trial Court is retaining jurisdiction so that any of the parties may apply for appropriate relief in the event that relevant circumstances develop, such as a failure by the legislative and executive branches to take the necessary steps to design, enact into law, and place into operation, within a reasonable time from entry of the Judgment, a fully constitutional system.

## PURPOSE OF ISSUE

Proceeds from the sale of the \$1,400,000 principal amount of the Election 1977, Series 2 Bonds will be used for authorized school purposes as described in greater detail in "The Improvement Program" section of this Official Statement.

## ESTIMATED ANNUAL BOND SERVICE

Table 1 presents a schedule of estimated annual bond service for the bonds currently being offered for sale, assuming an interest rate of 7 percent per annum is bid on the Election 1977, Series 2 Bonds. Also shown in Table 1 are annual bond service requirements for the previously issued Election 1977 Series 1 Bonds.



Table 1  
BAKER VALLEY UNIFIED SCHOOL DISTRICT  
ESTIMATED ANNUAL BOND SERVICE REQUIREMENTS  
\$1,400,000 Election 1977 Bonds, Series 2, and Prior Issue

Fiscal Year	\$1,400,000 Election 1977 Bonds, Series, 2						
	Principal Outstanding July 1	Interest Payable (1) July 15	Interest Payable (1) January 15	Principal Maturing January 15	Estimated Annual Bond Service	Prior Issue	Estimated Total Annual Bond Service
1979/80	\$1,400,000	\$ -	\$ 91,000.00	\$ -	\$ 91,000	\$ 147,322.50	\$ 238,322.50
1980/81	1,400,000	45,500.00	45,500.00	40,000	131,000	143,822.50	274,822.50
1981/82	1,360,000	44,200.00	44,200.00	40,000	128,400	145,322.50	273,722.50
1982/83	1,320,000	42,900.00	42,900.00	45,000	130,800	146,472.50	277,272.50
1983/84	1,275,000	41,437.50	41,437.50	50,000	132,875	142,272.50	275,147.50
1984/85	1,225,000	39,812.50	39,812.50	50,000	129,625	143,072.50	272,697.50
1985/86	1,175,000	38,187.50	38,187.50	55,000	131,375	143,522.50	274,897.50
1986/87	1,120,000	36,400.00	36,400.00	60,000	132,800	143,622.50	276,422.50
1987/88	1,060,000	34,450.00	34,450.00	60,000	128,900	144,047.50	272,947.50
1988/89	1,000,000	32,500.00	32,500.00	65,000	130,000	145,047.50	275,047.50
1989/90	935,000	30,387.50	30,387.50	70,000	130,775	145,797.50	276,572.50
1990/91	865,000	28,112.50	28,112.50	70,000	126,225	146,297.50	272,522.50
1991/92	795,000	25,837.50	25,837.50	75,000	126,675	146,452.50	273,127.50
1992/93	720,000	23,400.00	23,400.00	80,000	126,800	151,252.50	278,052.50
1993/94	640,000	20,800.00	20,800.00	90,000	131,600	150,477.50	282,077.50
1994/95	550,000	17,875.00	17,875.00	95,000 (3)	130,750	154,440.00	285,190.00
1995/96	455,000	14,787.50	14,787.50	105,000 (3)	134,575	157,815.00	292,390.00
1996/97	350,000	11,375.00	11,375.00	115,000 (3)	137,750	155,660.00	293,410.00
1997/98	235,000	7,637.50	7,637.50	115,000 (3)	130,275	158,100.00	288,375.00
1998/99	120,000	3,900.00	3,900.00	120,000 (3)	127,800	-	127,800.00
		\$539,500.00	\$630,500.00	\$1,400,000	\$2,570,000	\$2,810,817.50	\$5,380,817.50

(1) Interest estimated @ 7%.

(2) Election 1977, Series 1 Bonds.

(3) Callable on or after January 15, 1989.

## THE IMPROVEMENT PROGRAM

The Baker Valley Unified School District, formed in 1977, provides public education services to students from kindergarten through grade 12. The District's permanent facilities include two elementary schools. Junior- and senior-high school students (grades 9 through 12) attend classes in relocatable classrooms and classrooms in one of the elementary schools.

Previously, the District issued \$1,755,000 principal amount of Election 1977, Series 1 Bonds as of February 1, 1978. A portion of the proceeds from the sale of the Election 1977, Series 1 Bonds has been applied to meet the costs of planning and designing a new 200-student capacity junior-senior high school at Baker. Remaining proceeds from the sale of Election 1977, Series 1 Bonds (\$1,680,271) are available to meet a part of the construction costs of this facility.

Proceeds from the sale of the currently-offered \$1,400,000 principal amount of Election 1977, Series 2 Bonds will provide funds to: meet the remainder of junior-senior high school facility construction costs; purchase furniture and equipment for the junior-senior high school; and undertake miscellaneous site improvements at the District's elementary schools.

It is anticipated that construction of junior-senior high school facilities and site improvements at elementary schools will begin in early 1979 with completion of the facilities scheduled for September, 1979.



## DISTRICT ORGANIZATION AND FINANCIAL DATA

The Baker Valley Unified School District provides kindergarten through twelfth grade educational services to residents of an area encompassing approximately 3,890 square miles that includes the unincorporated communities of Baker, Kelso, Cima, Mountain Pass, and surrounding areas. The present population of the District is estimated at 1,400 persons.

The District was formed July 1, 1977, having previously been part of the Barstow Unified School District. The District is governed by an independent Board of Education of five members who are elected at large for overlapping four-year terms. The District's affairs are administered by the Superintendent, who is appointed by the Board of Education. Mr. Willard E. Andreasen was appointed as Superintendent July 1, 1977. Mr. Andreasen has been engaged in the field of education for 26 years. He was formerly Superintendent of the Death Valley Unified School District for five years.

## FACILITIES AND PERSONNEL

District facilities include one permanent elementary school (K-6) at Baker, one permanent elementary school (K-8) at Mountain Pass, and three relocatable structures at Baker housing students in grades 7 through 12. A 6,000 square-foot metal structure for transportation purposes is being erected. Utilizing proceeds of the \$1,755,000 Election 1977, Series 1 Bonds sold February 6, 1978, the District plans to construct a junior high-senior high building at Baker.

The District's staff includes 1 full-time and 2 part-time administrative employees, 14 full-time and 2 part-time certificated employees, and 17 full-time and 3 part-time classified employees. The District's projected average daily attendance for the 1978/79 school year is 220.

## CONSTITUTIONAL AMENDMENT (PROPOSITION 13)

At the June 6, 1978 election, California voters approved Proposition 13, the Jarvis-Gann Constitutional Initiative. The California Supreme Court upheld the constitutionality of Proposition 13 in a ruling on September 22, 1978. The text of Proposition 13, now Article XIII A of the California Constitution is as follows:

"Section 1.

(a) The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties.

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any indebtedness approved by the voters prior to the time this section becomes effective.

## Section 2.

- (a) The full cash value means the County Assessors' valuation of real property as shown on the 1975-76 tax bill under "full cash value", or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 tax levels may be reassessed to reflect that valuation.
- (b) The fair market value base may reflect from year to year the inflationary rate not to exceed two percent (2%) for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction.

## Section 3.

From and after the effective date of this article, any changes to State taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property or sales or transaction taxes on the sales of real property may be imposed.

## Section 4.

Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district.

## Section 5.

This article shall take effect for the tax year beginning on July 1 following the passage of this Amendment, except Section 3 which shall become effective upon the passage of this article.

## Section 6.

If any section, part, clause or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect."

## LEGISLATION TO IMPLEMENT PROPOSITION 13

On June 24, 1978, the Governor approved Senate Bill 154 (Chapter 292, 1978 Statutes) which provides partial relief to local governmental entities from the temporary difficulties brought about by the passage of Proposition 13. This bill, among other purposes, appropriates funds from the State General Fund:

- A. to the State School Fund (said Fund provides for the funding of California school districts) in lieu of statutory prescribed appropriations for the 1978/79 fiscal year and presents a method for computing the state support for school districts by the County Superintendent of Schools.
- B. to various categorical aid programs operated by school districts.



On June 30, 1978, the Governor also approved Senate Bill 2212 (Chapter 332, 1978 Statutes) which makes various technical and other changes in school finance provisions to comply with Chapter 292, 1978 Statutes.

State appropriations to the State School Fund and various categorical aid programs operated by school districts pursuant to Chapters 292 and 332, 1978 Statutes are applicable for fiscal year 1978/79 only. There is no guarantee that subsequent replacement of lost property tax revenue resulting from the passage of Proposition 13 will be made by the Legislature in any future fiscal year.

## ASSESSED VALUATION

The San Bernardino County Assessor assesses property for District tax purposes. The State Board of Equalization reports the 1977/78 San Bernardino County valuations average 24.7 percent of full market value, except for public utility property, which is assessed by the State at 25 percent of full value. County assessment ratios for 1978/79 are not available from the State Board of Equalization as of the date of this Official Statement.

Under California State Law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a recently enacted Constitutional Amendment, the California legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for delinquencies. Table 2 presents the District's 1977/78 and 1978/79 assessed valuations by tax roll, before and after these two exemptions.

Table 2  
BAKER VALLEY UNIFIED SCHOOL DISTRICT  
1977/78 and 1978/79 Assessed Valuations

Tax Roll	Taxable Assessed Valuation	Homeowners Exemptions	Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
<b>1977/78</b>				
Secured	\$ 8,283,695	\$27,330	\$ 66,595	\$ 8,377,620
Utility	9,185,400	---	---	9,185,400
Unsecured	--- (1)	---	---	--- (1)
Total	\$17,469,095	\$27,330	\$ 66,595	\$17,563,020
<b>1978/79</b>				
Secured	\$15,855,205	\$31,625	\$468,870	\$16,355,700
Utility	15,178,790	---	---	15,178,790
Unsecured	612,870	---	24,125	636,995
Total	\$31,646,865	\$31,625	\$492,995	\$32,171,485 (2)

(1) Formation of the District occurred after the March 1 lien date for unsecured property.

(2) See text for explanation of increased assessed valuation.

Source: San Bernardino County Auditor-Controller.

The District secured property tax roll for 1978/79 totals \$31,534,490, an increase of 80 percent over the 1977/78 secured roll. According to the office of the County Assessor, two factors are principally responsible for this large increase: (1) certain properties of the Union Pacific Railroad, previously on the assessment roll of the Barstow Unified School District, have been transferred to the utility roll of the Baker Valley Unified School District; and (2) certain properties of Molycorp Corporation, previously on the unsecured roll, are now on the local secured roll of Baker Valley Unified School District.

In view of the fact that the Baker Valley Unified School District did not exist prior to July 1, 1977, there is no record of assessed valuation, except for the 1977/78 incomplete roll and the 1978/79 roll. To provide an indication of assessed valuation history in the area now comprising the District, Stone & Youngberg Municipal Financing Consultants, Inc. has reconciled present tax rate areas with former tax rate areas which correspond in whole or in part with tax rate areas now in effect, based on information supplied by the County Auditor-Controller. This reconciliation appears on the following tabulation.

RECONCILIATION OF TAX RATE AREAS	
<u>Former Tax Rate Areas</u>	<u>New Tax Rate Areas</u>
Part of 5625	5501
5664	5502
Part of 5671	5503
Part of 5672	5504
5674	5505
5677	5506
5694	5507

Source: San Bernardino County Auditor-Controller.

A five-year history of assessed valuations in the former tax rate areas, which correspond very closely to present boundaries of the District, depicts a relatively stable assessed valuation from 1972/73 through 1976/77.

PRO FORMA ASSESSED VALUATIONS (1)					
<u>Tax Roll</u>	<u>1972/73</u>	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u>	<u>1976/77</u>
Secured	\$ 3,128,620	\$ 3,544,810	\$ 5,189,005	\$ 5,596,035	\$ 6,099,765
Utility	9,489,120	9,101,350	9,878,030	10,495,710	10,317,700
Unsecured	4,620,970	3,969,570	3,036,235	3,503,010	4,305,095
Total	\$17,238,710	\$16,615,730	\$18,103,270	\$19,594,755	\$20,722,560

(1) Tax Rate Areas 5625, 5664, 5671, 5672, 5674, 5677, and 5694. Includes reimbursable exemptions.



## TAX RATES

Section 1 (a) of Proposition 13, now Article XIII A of the California Constitution, limits any ad valorem tax on real property to one percent of the full cash value of such property; however this limitation is not applicable to ad valorem taxes or special assessments to pay the interest and redemption charges on any indebtedness approved by voters prior to the effective date of Article XIII A of the California Constitution.

The District's 1978/79 tax rate is \$0.9904 per \$100 assessed valuation, composed of \$0.0220 for elementary school bonds (former Yermo School District), \$0.8906 for Baker Valley Unified School District bonds, and \$0.0778 for high school bonds (former Barstow Union High School District). The District's 1977/78 tax rate was \$4.3973 per \$100 assessed valuation.

Under implementing legislation for Proposition 13 (see page 8), certain funds for school districts are subject to annual legislative appropriation. The District's 1978/79 budget (page 14) reflects the shift from local to state sources of revenue caused by Proposition 13.

There are seven tax rate areas in the District. Total 1977/78 tax rates in these areas ranged from \$8.5083 to \$10.9139 per \$100 assessed valuation. Tax Rate Area 5501 has a 1977/78 taxable assessed valuation of \$12,026,930, or approximately 69 percent of the District's total taxable assessed valuation. The 1977/78 and 1978/79 tax rates in this tax rate area are presented below.

Tax Agency	TAX RATE AREA 5501	
	1977/78 Tax Rates	1978/79 Tax Rates
County of San Bernardino	\$2.8356	\$4.0000
Schools	5.5094	1.0525 (1)
County Service Area 70	.0009	---
Flood Zone 6	<u>.1624</u>	<u>---</u>
Total	\$8.5083	\$5.0525

(1) Includes \$0.8906 for Baker Valley Unified School District Bonds, \$0.0778 for Barstow Union High School District Bonds, and \$0.0841 for Barstow Community College District Bonds. Excludes \$0.0220 for Yermo School District Bonds.

Source: San Bernardino County Auditor-Controller.

## LARGEST TAXPAYERS

The ten largest taxpayers in the District are listed in Table 3, as identified on the 1978/79 County assessment rolls. The five public utilities in this list account for a combined assessed valuation of \$15,178,790, approximately 48 percent of the District's total 1978/79 secured assessed valuation.

Molybdenum Corporation of America (owned by Union Oil Company of California), the largest District taxpayer, operates a rare earth mining and milling facility at Mountain Pass. Deposits of rare earths at this location are sufficient to sustain the local operation well into the 21st Century, according to Union Oil Company officials. Union Pacific Railroad, the District's second largest taxpayer, operates main line service through the District.

Southern California Edison Co., third largest taxpayer in the District, has two 220 KV transmission lines and a 500 KV transmission line running through the southern part of the District, with sub-stations at Cima. The Coolwater Hoover 138 KV transmission line crosses the central part of the District, with sub-stations at Baker, Dunn, and Mountain Pass.

Calnev Pipeline Company operates a pipeline through the District which transports liquid fuels from Colton, California to Southern Nevada. A pumping station is located within the District. American Telephone and Telegraph Company has long lines and microwave installations in the District.

Table 3  
BAKER VALLEY UNIFIED SCHOOL DISTRICT  
TEN LARGEST TAXPAYERS

Name	Product/Service	1978/79
		Assessed Values
Molybdenum Corporation of America	Mining	\$12,023,095
Union Pacific Railroad	Public Utility	5,297,630
Southern California Edison Company	Public Utility	4,672,200
Calnev Pipe Line Company	Public Utility	2,034,940
American Telephone & Telegraph	Public Utility	1,984,620
Tenneco Oil Company	Mining	735,925
Pacific Telephone & Telegraph	Public Utility	729,350
Pacific Lighting & Service Supply	Public Utility	460,050
Silver Lake Properties, Incorporated	Land Developer	338,535
Charles F. & Mary E. Brown	Commercial Properties	135,150

Source: San Bernardino County Assessor.

#### TAX LEVIES, COLLECTIONS, AND DELINQUENCIES

Ad valorem taxes are collected for the District by the San Bernardino County Tax Collector at the same time and on the same rolls as county and special district taxes. Secured taxes are due on November 1 and March 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due on March 1 and become delinquent in the following fiscal year on August 31.

The District's 1977/78 secured tax levy was \$665,974. Total secured tax collections as of June 30, 1978 amounted to \$716,767, including prior year allocations, interest, and penalties, according to the County Auditor-Controller.

Since there is no history of tax delinquency for the District prior to 1977/78, Stone & Youngberg Municipal Financing Consultants, Inc. have compiled tax delinquency data for the corresponding former tax rate areas, as previously described. Tax collection experience in these areas is presented in the following tabulation. Over the past five years the annual rate of secured tax current delinquency has averaged 1.31 percent in the seven tax rate areas.



PRO FORMA SECURED TAX LEVIES AND COLLECTIONS (1)

Fiscal Year	Secured Tax Levies	Amount Collected June 30	Amount Delinquent June 30	Percent Delinquent
1973/74	\$1,174,768	\$1,157,233	\$17,535	1.49%
1974/75	1,372,931	1,354,609	18,322	1.33
1975/76	1,501,250	1,480,891	20,359	1.36
1976/77	1,546,768	1,524,763	22,005	1.42
1977/78	1,303,910	1,291,719	12,191	0.93

(1) Tax Rate Areas 5625, 5664, 5671, 5672, 5674, 5677, and 5694, which correspond in whole or in part with present tax rate areas comprising the District.

Source: San Bernardino County Auditor-Controller.

GENERAL FUND INCOME AND EXPENDITURES

A summary of the District's 1976/77 and 1977/78 revenues and expenditures, together with budgets for 1977/78 and 1978/79, is shown in Table 4. District accounting records are in accordance with the California School Accounting Manual, which generally requires the modified accrual basis of accounting. Under this method, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues accrued to reflect revenues earned in the current year.

FUND BALANCES

District fund balances as of June 30 each year are presented in Table 5.

Table 5  
BAKER VALLEY UNIFIED SCHOOL DISTRICT  
FUND BALANCES AS OF JUNE 30

Fund	1977 (1)	1978 (1)	Budget 1979 (2)
General Fund	\$1,164	\$ 143,417	\$ 500 (3)
Bond Interest and Redemption Fund	--	17,552	148,000
Building Fund	--	1,684,085	--
Cafeteria Account	--	6,270	12,470

(1) District audit report.

(2) District Budget Report (J-41).

(3) After \$56,805 Appropriation for Contingencies.

Table 4				
BAKER VALLEY UNIFIED SCHOOL DISTRICT				
General Fund Income and Expenditures and Annual Budgets				
	1976/77 (1)	1977/78 (1)	1977/78 (1)	1978/79 (2)
	Actual	Budget	Actual	Budget
<u>Income</u>				
Adjusted Net Beginning Balance	\$ -	\$ 1,164	\$ 1,164	\$142,020
Federal Income	-	-	18,112	23,168
State Income	-	39,625	56,779	320,796
County Income	-	-	-	-
Local Income	-	643,375	721,185	187,680
Incoming Transfers	5,000	-	-	-
Total Available Income	<u>\$5,000</u>	<u>\$684,164</u>	<u>\$797,240</u>	<u>\$673,664</u>
<u>Expenditures</u>				
Certificated Salariws	\$ -	\$280,779	\$280,703	\$243,618
Classified Salaries	192	149,892	140,811	129,596
Employee Benefits	-	79,729	76,972	80,032
Books, Supplies and Equipment Replacement	114	45,000	50,778	45,628
Contracted Services and Other Operating Expenses	2,147	52,940	67,046	70,085
Sites, Buildings, Books, Media and New Equipment	1,383	35,000	32,513	47,400
Other Outgo, Including School Building Apportionment	-	5,000	5,000	-
Total Expenditures	<u>\$3,836</u>	<u>\$648,340</u>	<u>\$653,823</u>	<u>\$616,359</u>
Appropriations for Contingencies	\$ -	\$ 6,300	\$ -	\$ 56,805
Net Ending Balance	\$1,164	\$ 29,524	\$143,417	\$ 500

(1) District audit report dated September 21, 1978.

(2) District budget report (J-41) adopted by the District governing board September 7, 1978.



## LEASE AGREEMENT

The District has a General Fund contingent liability of \$87,137 on a lease agreement with option to purchase a bus with annual payments of \$14,485 through 1984/85, and a final payment of \$227 in 1985/86.

## INSURANCE COVERAGE

Insurance in force for the 1978/79 school year is as follows:

Liability - combined single limit . . . . .	\$1,500,000
Automobile . . . . .	\$100 - \$500,000
Fire, extended coverage, vandalism, malicious mischief, all property (90% average clause)	
\$1,000 deductible . . . . .	\$830,184
Employee Honesty Blanket Position . . . . .	\$10,000
All employees are covered by Workmen's Compensation Insurance.	
Group Health is available to regular employees.	

## DISTRICT DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT

The District's general obligation bonding capacity is equal to ten percent of its assessed valuation after all exemptions except homeowners and business inventory, as adjusted by the Collier Factor. The Collier Factor is a comparison of the county's assessment level with the statewide average ratio. The factor is used to offset differences in assessment levels for inter-county school districts and conforms assessment to the statewide average assessment level for all property. The District's 1978/79 bonding capacity as reported by the San Bernardino County Auditor-Controller is \$3,166,333. Upon delivery of the bonds currently being offered (on or after January 15, 1979 but prior to February 1, 1979), the District's general obligation bonded debt will be \$3,155,000. Table 6 is a statement of direct and overlapping bonded debt of the District.

The District's share of authorized unsold bonds is as follows: San Bernardino County Service Area #70 (\$78,048); Baker Valley Unified School District (\$1,845,000). As of June 30, 1978, the District's State School Building aid repayment amounted to \$207,874.

## EMPLOYER-EMPLOYEE RELATIONS

Certificated personnel of the Baker Valley Unified School District are members of the California Teachers Association and National Education Association. Classified employees may be members of Local 682, California School Employees Association.

The District has negotiated employment contracts with the above organizations. Administrative and confidential personnel are not covered by these contracts. As a result of Chapter 332, 1978 Statutes (implementing legislation for Proposition 13) the District governing board has frozen wages and salaries at the 1977/78 level.

Table 6  
BAKER VALLEY UNIFIED SCHOOL DISTRICT  
Statement of Direct and Estimated Overlapping Bonded Debt (1)

Estimated population	1,400		
Assessed valuation	\$ 32,171,485 (2)		
Estimated real value	\$128,686,000 (3)		

Public Entity	Percent Applicable	Estimated Debt Applicable December 11, 1978
San Bernardino County Building Authorities	0.950%	\$ 121,927 (4)
San Bernardino County Free Library Authority	1.287	12,741
Barstow Community College District	17.477	152,924
Barstow Union High School District	17.477	231,570
Yermo School District	45.688	28,783
Baker Valley Unified School District	100.	3,155,000 (5)
Baker Community Services District	100.	114,000 (6)
TOTAL DIRECT AND OVERLAPPING BONDED DEBT		\$3,816,945

	Ratio To		
	Assessed Valuation	Real Value	Per Capita
Assessed valuation	-	-	\$22,979
Direct debt	9.81%	2.45%	\$ 2,254
Total net direct and estimated overlapping bonded debt	11.86%	2.97%	\$ 2,726

(1) Compiled in cooperation with California Municipal Statistics, Inc.

(2) The 1978/79 assessed valuation is before deduction of \$524,620 homeowners' and business inventory exemptions, the taxes on which are paid by the State of California.

(3) Assumes assessed valuations are at 25 percent of full market value.

(4) Excludes share of \$332,439 San Bernardino County lease-purchase obligations (\$3,158).

(5) Includes \$1,400,000 to be sold on December 11, 1978.

(6) Excludes \$260,000 water revenue bonds.



Effective July 1, 1976, provisions of the Rodda Act codified as Chapter 961 of the 1975 Statutes affects all school districts in California. In case of labor disputes, local grievance procedures may be operative (if established by contract), or both parties may agree to submit grievances to final and binding arbitration pursuant to rules adopted by the Educational Employment Relations Board, which administers the Act. The Act's provisions with respect to the rights, obligations, and unfair practices applicable to management and labor became effective April 1, 1976.

## PENSION PLANS

The District participates in the State of California Teachers' Retirement System (STRS). This plan covers basically all full-time certificated employees. The District's contribution to STRS for fiscal year 1977/78 was \$20,142, and is budgeted at \$19,330 for fiscal year 1978/79.

The District also participates in the State of California Public Employees' Retirement System (PERS). This plan covers all classified personnel who are employed at least 50 percent of the workweek.

The State Teachers' Retirement System (STRS) operates under provisions of the State Education Code. The system includes California public teachers from preschool through grade fourteen and certain other employees of the public school system. There were approximately 334,200 active and inactive members, 72,368 benefit recipients, and 1,149 participating agencies at June 30, 1977. Membership is mandatory for all certificated employees meeting the eligibility requirements.

The system is financed by earnings from investments and contributions from members, school districts, and the State of California, which pays \$144,300,000 annually to the year 2002, subject to annual legislative appropriation. Under present rules, members contribute eight percent of applicable earnings, and school districts contribute a percentage of applicable member earnings, rising to eight percent beginning July 1, 1978. However, under legislation enacted in 1977, new increased rates, effective July 1, 1979, would result in total contributions of 21 percent of payroll after a five-year period. The employer rate would increase to 10 percent and the State of California would contribute three percent, with the employee rate remaining at eight percent.

At June 30, 1977, the total unfunded obligation of the system was \$9,894,721,919, as determined by the independent actuary. This includes the present value of future State contributions provided by the State Teachers' Retirement Law (\$1,666,000,000). Comparable figures for June 30, 1976 were \$9,420,709,989 and \$1,577,182,428, respectively. In the opinion of the Chief Executive Officer for STRS, the additional contributions referred to above, while helpful, will not solve the funding problem.

Actuarial valuations of the system are based upon the entry-age-normal cost method, which is a projected benefit cost method wherein level normal cost rates (contributions) are computed sufficient to fund benefits over the entire service life of members. The system's financial statements are prepared on the accrual basis of accounting.

The State Teachers' Retirement System's actuary is Milliman & Robertson, Inc., of San Francisco, California; Investment Counsel for equities is Scudder, Stevens & Clark, San Francisco, California; auditor is Coopers & Lybrand, Sacramento, California.

The State Public Employees' Retirement System (PERS) was originally established in 1931. As of June 30, 1977, there were 556,759 members, of whom approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately one-third of the members are state personnel and the balance are public agency personnel. As of June 30, 1977, the system provided retirement, death, and survivor benefits under 979 contracts for 2,078 public agency employers (cities, counties, school districts, special districts and other public bodies) with 374,051 members. The system's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules.

Total assets of the system at June 30, 1977 were \$8,951,294,831 according to the annual audit. Of this amount, net assets of \$8,755,875,035 were available for benefits.

The annual contribution by employers for the 1976/77 fiscal year was \$718,363,062. The annual contribution by employees for the 1976/77 fiscal year was \$312,725,614.

The most recent actuarial valuation, performed by PERS, utilized census data as of June 30, 1976. The total unfunded obligation of the system was determined to be \$6,868,665. The method used was entry-age-normal cost, which is a projected benefit cost method wherein level employer normal cost rates, considering present member contributions, are calculated at amounts sufficient to fund benefits over the entire service life of members.

Except for the pooling of certain miscellaneous public agency members, actuarial evaluations are performed for each participating employer, and the total accrued actuarial liability noted above is the sum of the individual employer accounts. According to the PERS annual report, public agency employer contribution rates set forth between each agency and PERS will meet all on-going costs and fund the unfunded liability for each agency in accordance with the terms of each agency's contract.

The system's financial statements are prepared on an accrual basis of accounting and the system's auditor is Touche Ross & Co., San Francisco, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The system's actuarial activities are conducted internally on a continuous basis, with an experience analysis being required no less than every four years under the Retirement Law. Management Applied Programming, Inc., Los Angeles, California, is reviewing the June 30, 1977 actuarial valuation prepared by the PERS staff.



## ECONOMY OF THE DISTRICT

Baker Valley Unified School District is located in northeastern San Bernardino County, the High Desert area of Southern California. The unincorporated community of Baker is situated at the junction of Interstate 15, most direct route between Los Angeles and Las Vegas, and State Highway 127, which leads to Death Valley. Baker is approximately 133 road miles northeast of San Bernardino, 61 road miles northeast of Barstow, and 92 road miles southwest of Las Vegas. Other communities in the District include Kelso, Cima, and Mountain Pass. District boundaries encompass approximately 3,890 square miles. Present District population is estimated at 1,400 persons.

The District's economy is based largely on mineral extraction and tourism. The world's largest deposit of rare earths is found at Mountain Pass, near the eastern border of the District. Moly-corp, Incorporated, an affiliate of Union Oil Company of California, employs over 140 at this location in the processing of rare earth derivatives for use in a wide range of industrial applications. Two mills in the western part of the District process various borate ores. Due to its location on the principal highways leading to Nevada and Death Valley from Southern California, the District benefits from tourist expenditures fostered by national trends towards increased leisure time, earlier retirement, and year-round scheduling of vacations. Baker has modern motels, restaurants, and other facilities to serve the visitor and vacationer attracted by the colorful desert areas in the District, as well as travelers who find Baker a convenient stop en-route to other areas in Southern California or Southern Nevada.

The District's tax base is supported by an extensive complex of utility transmission lines, microwave relay stations, a coaxial cable, railroad facilities, a liquid fuels pipeline, and a natural gas pipeline. A maintenance station of the California Department of Highways is located at Baker.

## POPULATION AND HOUSING

During April 1975 a special census was conducted for San Bernardino County by the U.S. Bureau of the Census. The County Planning Department has compiled the information by census tract and local planning areas. Presented below are 1970, 1975 and 1978 data for Census Tract 103, an area larger than the District. No Census data are available for the community of Baker or other communities in the District.

CENSUS TRACT 103, NEWBERRY-BAKER (1)			
	1970 (2)	1975 (2)	1978 (3)
Population	2,615	2,695	2,808
Dwelling Units	1,046	1,085	1,219

(1) Also identified as Planning District No. 21.

(2) U. S. Census Bureau.

(3) April 1978 Estimates By County Planning Department.

Source: San Bernardino County Planning Department.

## EMPLOYMENT

Except for employees of Baker Valley Unified School District, residents of the District are principally employed in mineral extraction, mineral processing, utility operations, and tourist-oriented retail and service establishments.

The largest employer in the District is Molycorp, Inc., a unit of Union Oil Company of California. Formerly Molybdenum Corporation of America, Molycorp mines and mills rare earth ores at Mountain Pass, located 35 miles east of Baker on I-15. Studies of the ore body at this location, reputed to be the world's largest, indicate that the supply of ore is sufficient to sustain the local operation well into the 21st Century. Ores found here are distinctive mineralizations known as carbonatites. Rare earth metals are used as catalysts in cracking petroleum crudes, as ingredients in many types of glass, and in many space age applications. Local employment averages 140 year-round, and the local payroll approximates \$2 million annually.

The District's next largest employer is Silver Lake Properties, owner and operator of various commercial properties at Baker, including two Bun Boy restaurants, a general store, two motels, and three service stations. Eighty persons are employed in local operations. This firm also operates Bun Boy restaurants at Barstow and Victorville.

The American Borate Company, a unit of Owens-Corning Fiberglas, mills borate ores at its facility near the western boundary of the District, employing 40 workers. Located nearby is the grinding mill of Desert Minerals, which purchased this facility from Johns-Manville Company in 1977. The present work force numbers nine persons. Full-scale operations will require 15-20 employees.

Within the District are seven microwave relay stations, a coaxial cable installation, and long lines maintained and serviced by the American Telephone and Telegraph Company and/or the Pacific Telephone Company. Pacific Telephone operates the Turquoise underground satellite tracking station, located in the District. Most of the maintenance workers for this installation are air-lifted from Barstow. An exact local employment figure cannot be determined at this time.

Other leading employers in the District are Pike's Restaurant with 45 employees, and the Charles Brown Company which employs 26 at a general store, a mobile home park, and several service stations in Baker. Located throughout the District are a number of mining operations which represent combined employment of approximately 50 persons. These include: Standard Slag Company, which mines iron ore at a site 50 miles northeast of Baker; Vanderbilt Gold Corporation, whose Ivanpah mine produces flotation concentrates; Carrere Brothers Rock Company at Kelso; and Huntington Tile Incorporated, engaged in talc mining 19 miles northeast of Baker.

## COMMERCIAL ACTIVITY

Taxable sales data are not available for the Baker community area. Baker has modern motels, gift shops, and restaurants to cater to the growing tourist trade. Its location in the Mojave Desert is favorable, in light of the increasing public interest in desert living and desert recreation.

For many years Brown's Market, located at the intersection of Baker Boulevard and Highway 127 in Baker, has served the surrounding area. A new general store --Will's Country Store-- opened in 1977 in the immediate area.

Stuckey's, a chain of snack shops and service stations, maintains units west of Baker and near Mountain Pass, in the eastern part of the District.

## CONSTRUCTION

Silver Lake Properties, already described, has received a Federal housing grant of \$1,200,000 to assist in the construction of Silver Lake Village, to be located in Baker adjacent to Will's Fargo Motel, also owned by this firm. The project is designed to provide permanent housing for persons employed in Baker.

Silver Lake Village, consisting of five 2-story buildings in a park setting, will have sixty 2-bedroom apartments. The Boise Cascade Corporation, Manufactured Products Division, is a participant in this project. Construction is expected to get underway early in 1979.

## TRANSPORTATION

Interstate 15 bisects the District from southwest to northeast. This highway joins Los Angeles and Las Vegas, continuing east to Salt Lake City. At Baker, State Highway 127 leads north to Death Valley National Monument, joining U.S. 95 north of Las Vegas. A county road runs south from Baker through Kelso to Interstate 40.

A portion of U.S. 95, joining Needles and Las Vegas, traverses the southeastern part of the District. County roads and State Highway 68 connect U.S. 95 with various communities in the District.

There is a County air strip for general aviation use at Baker. Scheduled air passenger and cargo transportation is available at McCarran International Airport in Las Vegas, 92 miles northeast of Baker on Interstate 15.

Union Pacific Railroad provides freight service in the District. Main line tracks pass through Kelso and Cima.

Greyhound Bus Lines provides interurban and regional motor transportation at Baker for passengers and freight. United Parcel Service also serves the area.

## UTILITIES

Southern California Edison Company and Pacific Telephone Company provide electric power and telephone service throughout the District. Although a natural gas pipeline traverses the District, there is no natural gas for local consumption. Bottled gas is available in the District.

The Baker Community Service District provides water and sewerage services to residents of the Baker community area.

## EDUCATION

Following are public school fall enrollments in the Baker Valley area for the past six years.



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PUBLIC SCHOOL ENROLLMENT  
BAKER VALLEY AREA

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School Year	Grades K-8	Grades 9-12	Total Enrollment
1973/74 (1)	218	39	257
1974/75 (1)	197	51	248
1975/76 (1)	195	59	254
1976/77 (1)	179	59	238
1977/78 (2)	159	58	217
1978/79 (2)	150	66	216 (3)

- 
- (1) Barstow Unified School District. Includes school boundaries which now comprise the Baker Valley Unified School District.  
 (2) Baker Valley Unified School District.  
 (3) Estimated.
- 

The Baker Valley Unified School District is located in the Barstow Community College District, which operates Barstow College in Barstow. This two-year institution had a total enrollment of 1,766 in the Fall of 1977, including 700 full-time students.

California State College, San Bernardino, is part of the 19-campus State University and College System. This four-year degree institution enrolled 4,443 students in the 1977/78 academic year.

#### COMMUNITY FACILITIES AND RECREATION

The San Bernardino County Building at Baker houses local offices of the County Sheriff, County Clerk, and the Baker Community Service District. The volunteer Fire Department, located in an adjacent building, is equipped with a pumper, a tanker, and a utility truck.

The \$300,000 Baker Community Center is located near the center of Baker.

Medical care is available at St. Rose de Lima Hospital in Henderson, south of Las Vegas, at Barstow Community Hospital, and at Needles Municipal Hospital. The Needles Hospital District levies a property tax in Tax Code Area 5507, within the District.

Chet Huffman Park in Baker has a baseball diamond and facilities for outdoor recreation.

Death Valley National Monument, reached from Baker via State Highways 127 and 190, has 75 square miles of scenic area below sea level. Elevations vary from 280 feet below sea level to 11,045 feet at Telescope Peak in the Panamint Range, bordering the Monument on the west.

Southeast of Baker, near Kelso, are 40 square miles of sand dunes known as Devil's Playground. The area is carpeted with a variety of colorful wildflowers in the spring. Nearby is the Providence Mountains State Recreation Area, which contains a geological phenomenon of stalagmites and stalactites in caves, thousands of years in the making.

## SAN BERNARDINO COUNTY

San Bernardino County, covering 20,160 square miles, is the largest county in the 48 contiguous states and encompasses more land area than the four states of Delaware, Massachusetts, New Jersey and Rhode Island combined. The County borders Los Angeles and Kern Counties on the west, Arizona, Nevada, and the Colorado River on the east, Inyo County on the north, and Riverside County on the south.

The County is composed essentially of three geographic regions -- valley, mountain, and desert. The Mojave Desert, located in the northern and eastern portions, comprises over 90 percent of the County area. The San Bernardino Mountains occupy the southwest portion. Elevations within the County range from 11,502 feet at San Gorgonio Peak to 181 feet at Saratoga Springs in Death Valley.

Even though a large part of the County consists of publicly-owned land (81%), the economic base is varied. A strong agricultural complex produced over \$350 million dollars worth of farm products in 1977. A number of large industries are located in the area. The County is a major western railroad center for three transcontinental lines and includes two of the nation's largest and most modern marshalling yards. The County also has one of the largest airport facilities in Southern California at Ontario. Highways within the County comprise an integral part of the state's major highway and freeway system and of the federal interstate system. Four Interstate highways traverse the County.

San Bernardino County was created on April 23, 1853. A three-member elected Board of Supervisors became the county governing body in 1855. Later the Board was expanded to five members. The County is divided into five supervisorial districts which are apportioned by population and each supervisor is elected by the voters of his own district. The Board of Supervisors is the governing body for more than 100 Board-governed special districts and improvement zones which have been formed to provide local services.

### CLIMATE

Climatic conditions in San Bernardino County vary with topography. In the valley region, average high and low temperatures range from 96 and 57 degrees in July to 67 and 37 degrees in January. Annual rainfall averages 15 inches, most of it occurring during the winter months.

In the mountains, the typical four-season climate of higher elevations is found, except that extremes are moderated by the combined influence of sea breezes from the west, and warm dry desert air from the east. The desert area averages a yearly rainfall of about four inches. Average high and low temperatures vary from 98 to 59 degrees in July to 57 and 34 degrees in January.

### POPULATION

The County's population increased by 35.5 percent from 1960 to 1970, almost seven percent higher than the Southern California region during the same period. San Bernardino currently ranks sixth in population among the state's 58 counties. The City of San Bernardino is the County seat and has a population exceeding 105,000. It is located 59 miles east of Los Angeles and 110 miles northeast of San Diego. Eleven other cities in the County have populations over 10,000.

In January 1978 the County had 756,800 inhabitants, according to a state estimate. Largest percentage gains in population have been in the unincorporated and semi-rural areas of the County, reflecting the growing popularity of desert living in California.

The following tabulation shows population growth in the County since 1940, compared with the State of California.

POPULATION DATA				
Census	County of San Bernardino		State of California	
	Population	Percent Change	Population	Percent Change
1940	161,108	-	6,907,387	-
1950	281,642	74.8%	10,586,223	53.3%
1960	503,591	78.8	15,717,204	48.5
1970	682,233	35.5	19,953,134	27.0
1978 (1)	756,800	10.9	22,077,000	10.6

(1) January 1, 1978 estimate by State Department of Finance.

## EMPLOYMENT

Government, trade, manufacturing and services are the principal sources of jobs in the County. More than 24 percent of all employed civilians work for government agencies. Of this group, approximately three out of five workers are in state and local government, with the remainder holding positions in federal service.

Trade and services have been the most rapidly expanding industry groups. While wholesale trade averages a minor part of total employment in the trade category, it supports a large wholesale distributing center in the inland area due to the County's concentration of rail transportation and agricultural and mining resources.

Retail trade jobs have been increasing as a result of new shopping centers opening in both smaller communities and the larger cities. Retail jobs account for over 84 percent of the total jobs in the trade category.

In manufacturing, durable goods plants account for almost three-fourths of all factory workers. Primary metals and transportation equipment report the largest aggregate payrolls in the manufacturing sector, followed by the stone-clay-glass industries.

As of September 1977 there were 15 establishments in the County with 1,000 or more employees, and 48 which had 500 or more employees, according to state labor bulletins.

The most recent report of industry employment and payrolls for San Bernardino County covers the second quarter of 1977, as reported by the California Department of Employment Development. The tabulation on page 25 summarizes County data. As reflected in this summary, 11,610 employers reported 225,263 employees and aggregate quarterly payrolls of \$620,093,236.



SAN BERNARDINO COUNTY  
Employment and Payrolls (1)

Industry	No. of Employers (2)	No. of Employees (3)	Quarterly Wages (2)
Agriculture, Forestry	748	5,924	\$ 10,627,047
Mining Extraction	28	709	3,181,289
Contract Construction	1,317	12,324	37,782,345
Manufacturing	723	36,384	127,663,380
Transportation, Utilities	431	14,541	56,796,930
Wholesale Trade	580	7,960	24,465,266
Retail Trade	3,049	43,187	73,322,331
Finance, Insurance, Real Estate	757	8,403	20,529,463
Services	3,279	40,529	86,939,293
Federal Government	38	10,601	38,726,823
State Government	441	5,948	29,752,837
Local Government	117	38,412	109,677,662
Other	102	341	628,570
Total	11,610	225,263	\$620,093,236

(1) All gainful employment except domestic workers and self-employed individuals, second quarter, 1977

(2) Second quarter, 1977.

(3) Month of June 1977.

Source: State Department of Employment Development.

## INDUSTRY

Reflecting strong industrial activity, the San Bernardino County Industrial Directory lists over 1,100 fabricating, manufacturing, and processing firms ranging in size from less than 10 employees to more than 1,000 employees.

The County's metal industry is dominated by Kaiser Steel Corporation at Fontana, site of the largest integrated steel mill west of the Mississippi, with a rated capacity in excess of 3,400,000 tons. Four Kaiser fabricating plants and the steel mill employ between 9,000 and 9,300 people. Many related metal fabricating plants are also located in the area. There are 22 primary metal companies and 85 fabricating companies in San Bernardino County.

Transportation equipment is the next largest industry and includes manufacturers of mobile homes and trailers, fiberglass parts, truck trailers and automobile parts, and aircraft maintenance. Producers of stone, clay, and glass products account for a substantial share of industrial employment and payrolls in the County. Leaders in this category are cement and its numerous end products.

Another major industry is food processing, particularly citrus fruits in canned, frozen, and concentrated form. The largest firm in this sector is the Orange Products Division of Sunkist Growers, Inc. Located in Ontario, the firm employs over 700 people. The Lemon Products Division at Corona, Riverside County, employs 400.

Other industries contributing to increasing industrial employment in San Bernardino County are machinery, electrical equipment, printing and publishing, furniture and fixtures, and chemicals.

## BUILDING ACTIVITY

The following tabulation summarizes building activity in San Bernardino County since 1974. Residential and non-residential building declined in 1973 and 1974 but accelerated in 1976. Total valuation in 1977 exceeded \$870 million, including nearly 18,000 new dwelling units.

SAN BERNARDINO COUNTY Building Permit Valuations					
Calendar Year	1974	1975	1976	1977	1978 (1)
VALUATION (\$000 omitted)					
Residential:					
Single Family	\$ 91,903	\$185,659	\$382,444	\$658,939	\$444,350
Multiple Dwellings	10,009	8,207	7,888	36,977	66,220
Alterations	17,537	23,201	28,511	40,555	33,227
Non-Residential:					
Commercial, New	27,449	17,669	39,681	49,808	55,702
Industrial, New	10,394	38,472	14,655	26,547	30,128
Alterations	6,881	7,031	9,244	10,511	8,611
Other	33,295	30,833	33,129	53,882	64,421
Total Valuation	\$197,468	\$311,072	\$515,552	\$877,214	\$702,659
NEW DWELLING UNITS					
Single Family	3,473	5,192	10,008	15,746	10,090
Multiple Dwellings	634	494	472	2,243	3,034
Total Units	4,107	5,686	10,480	17,989	13,124

(1) Eight months.

Source: "California Construction Trends," Security Pacific National Bank.

## COMMERCE

Taxable sales in San Bernardino County were nearly \$2.9 billion in 1977, representing an increase of \$550 million over total taxable sales in 1976. The accompanying table presents a summary of total taxable transactions in the County since 1973.

SAN BERNARDINO COUNTY Taxable Transactions (\$000 omitted)				
	Retail Stores	Business & Personal Services	All Other Outlets	All Outlets
1973	\$1,279,608	\$57,290	\$349,525	\$1,686,423
1974	1,354,669	60,928	408,244	1,823,841
1975	1,471,122	66,400	439,651	1,977,173
1976	1,726,263	75,388	541,685	2,343,336
1977	2,101,148	89,329	703,820	2,894,297

Source: California State Board of Equalization.

## TRANSPORTATION

San Bernardino County is served by three transcontinental railroads--Southern Pacific, Santa Fe, and Union Pacific. Within recent years, Southern Pacific has completed two major projects in the County. A 78-mile rail link from Palmdale to Colton enables SP to bypass the Los Angeles area when freight is marked for other destinations. Extensive computerized switching operations at Bloomington have been developed into one of the world's most advanced railroad facilities. Santa Fe has completed a similar improvement program at its yards in Barstow.

Four Interstate Highways traverse San Bernardino County. Interstate 10 crosses the San Bernardino Valley in an east-west direction. Interstate 15 goes north from San Bernardino to Barstow, and then to Las Vegas, Nevada. Interstate 15E (Devore Freeway) connects these two west and north of San Bernardino, enabling Las Vegas-bound traffic out of Los Angeles to bypass San Bernardino. Interstate 40 runs easterly from Barstow into Arizona via Needles.

Nine airlines serve Ontario International Airport, the second busiest airport in Southern California. Golden West Airline connects with major carriers at Los Angeles International Airport. Ticket counters are maintained for all major airlines in the Ontario Terminal. Within the County are 63 airport and heliport facilities including public-owned, private and military. There are approximately 1,200 aircraft currently registered in the County.

## MILITARY & AEROSPACE

Four major military installations are located in San Bernardino County while two other facilities with headquarters in adjacent counties occupy portions of the County. Norton Air Force Base, near the City of San Bernardino, employs the largest military and civilian contingent, and has an impact on the local economy exceeding \$229 million annually, according to estimates of the local Chamber of Commerce. The principal installation at Norton is the 63rd Military Airlift Wing, and the base serves as one of the three ports of air embarkation and debarkation for the Pacific theatre. George Air Force Base, near Victorville, is headquarters for the 35th Tactical Fighter Wing, providing pilot and maintenance crew training.

The Marine Corps Supply Station near Barstow has the responsibility of storage, maintenance, repair, issuance and shipment of military materials to Marine Corps installations worldwide. Advantages of the base include its desert site with low humidity and rainfall and excellent transportation facilities. Another Marine Corps facility at Twenty-nine Palms covers an area of 932 miles, principally serving training functions for regular and reserve forces.

Portions of Edward Air Force Base and the Naval Ordnance Test Station, China Lake, are located in the County. Military installations in San Bernardino County have an estimated complement of approximately 16,100 military and 6,200 civilian personnel.

The Goldstone Deep Space Communication Complex, located in the Mojave Desert about 45 miles from Barstow, has the intricate task of remote control of the spacecraft used in the U.S. unmanned lunar and planetary exploration performed by the Deep Space Network (DSN). The DSN is the only facility in the Free World especially designed to control and collect data from spacecraft traveling many millions of miles from Earth, and is operated for NASA under the direction of the Jet Propulsion Laboratory. Goldstone employs 458 people.

## MINERALS

The County's leading mineral product is cement. Substantial production of limestone is used in the manufacture of cement at four plants in the County. The Mountain Pass District of the County has the largest deposit of high-grade rare earth minerals in the western hemisphere. Many deposits of both primary and secondary uranium ores have been found.



Kerr-McGee Chemical Corporation, one of the largest taxpayers in the County, is adding a new plant to its facilities in Trona for expanded production of soda ash and salt cake. Annual production of one million tons is planned to be boosted to 2,300,000 tons after completion in 1978. The cost of the expansion is estimated at \$250 million. Kerr-McGee estimates its 1978 annual payroll at \$29 million.

## AGRICULTURE

Commercial farm production in San Bernardino County for 1977 had a gross production value of more than \$354 million. This was an all-time high and more than \$11 million greater than 1976, also a record year. Seventeen commodities have an annual valuation in excess of \$1 million, as reflected in an accompanying tabulation. Milk and eggs are the leading farm products, accounting for 75 percent of total output. The County has 300 dairies and is one of the leading milk producing counties in the nation. Gross values of agricultural production for the past five years are shown below.

SAN BERNARDINO COUNTY					
Value of Agricultural Production (\$000 omitted)					
Commodity	1973	1974	1975	1976	1977
All Crops	\$ 48,836	\$ 41,850	\$ 39,976	\$ 45,324	\$ 47,072
All Poultry	79,699	73,492	73,485	86,386	82,100
Other Livestock	134,916	176,098	194,488	210,845	224,865
Total	\$263,451	\$291,440	\$307,949	\$342,555	\$354,037

Source: San Bernardino County Agricultural Commissioner.

SAN BERNARDINO COUNTY				
Million Dollar Crops in 1977				
1. Milk	\$203,223,000	10. Pullets	\$3,776,000	
2. Eggs	61,838,000	11. Lemons	3,229,000	
3. Cattle and Calves	17,688,000	12. Grapes	2,596,000	
4. Nursery Products	8,514,300	13. Grapefruit	2,085,000	
5. Turkeys	8,421,000	14. Sheep and Lambs	1,296,000	
6. Alfalfa Hay	8,003,000	15. Pasture-Permanent	1,275,000	
7. Navel Oranges	6,941,000	16. Grain Hay	1,104,000	
8. Chicken Fryers	6,164,000	17. Strawberries	1,080,000	
9. Valencia Oranges	4,567,000			

Source: San Bernardino County Agricultural Commissioner.

## EDUCATION

Public education in San Bernardino County is administered by 19 elementary school districts, two high school districts, 14 unified (K-12) school districts, and four community college districts. Enrollment in the elementary grades has turned up slightly in the past two years, reversing an earlier trend. Enrollment in the secondary and community college grades has stabilized. A five-year enrollment history of public schools in the County is shown below.

SAN BERNARDINO COUNTY					
Total Enrollment in Public Schools (1)					
Grades K-14	1973	1974	1975	1976	1977
Elementary (K-8)	113,616	111,339	111,146	111,599	113,896
Secondary	66,444	69,296	71,466	72,443	72,159
Community College	<u>28,697</u>	<u>32,818</u>	<u>41,835</u>	<u>36,271</u>	<u>35,024</u>
Total	208,757	213,453	224,447	220,313	221,079

(1) Fall enrollment.

Source: County Superintendent of Schools.

Within the County are eight universities and colleges. In addition, there are five two-year community colleges. Loma Linda University is a coeducational complex of schools offering undergraduate and graduate degrees including doctoral programs in varied academic and professional fields. The University of Redlands, a private liberal arts college granting baccalaureate and master's degrees, is known for its outstanding programs in the fields of business administration, education, music, chemistry, engineering, mathematics and physics. California State College at San Bernardino, three miles east of San Bernardino, offers the Bachelor's degree in 28 majors, and the Master's degree in various education fields. At Riverside, about ten miles south of the City of San Bernardino, is the Riverside campus of the University of California.

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